



INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-1200]

Certain Electronic Devices, Including Streaming Players, Televisions, Set Top Boxes, Remote Controllers, and Components Thereof

Commission Determination to Review the Final Initial Determination in Part and to Request Written Submissions on the Issues Under Review, Remedy, Bonding, and the Public Interest

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission (“Commission”) has determined to review in part certain findings in a final initial determination (“ID”) issued by the presiding administrative law judge (“ALJ”) and to solicit briefing on the issues under review, as well as remedy, bonding, and the public interest.

FOR FURTHER INFORMATION CONTACT: Carl P. Bretscher, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street S.W., Washington, D.C. 20436, telephone (202) 205-2382. Copies of non-confidential documents filed in connection with this investigation may be viewed on the Commission’s electronic docket (EDIS) at <https://edis.usitc.gov>. For help accessing EDIS, please email EDIS3Help@usitc.gov. General information concerning the Commission may also be obtained by accessing its Internet server at <https://www.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission’s TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on May 22, 2020, based on a complaint filed by Universal Electronics, Inc. (“UEI”) of Scottsdale, Arizona. 85 FR 31211-212 (May 22, 2020). The complaint, as supplemented, alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 (“Section 337”), in the importation into the United States, sale for importation, or sale in the United States after importation of certain electronic devices, including streaming players, televisions, set top boxes,

remote controllers, and components thereof, by reason of infringement of one or more of the asserted claims of U.S. Patent Nos. 7,696,514 (“the ’514 patent”); 9,911,325 (“the ’325 patent”); 9,716,853 (“the ’853 patent”); 7,589,642 (“the ’642 patent”); 10,593,196 (“the ’196 patent”); and 10,600,317 (“the ’317 patent”). *Id.* The complaint alleges that a domestic industry exists. *Id.*

The Commission’s notice of investigation names the following respondents: Roku Inc. of Los Gatos, California (“Roku”); TCL Electronics Holdings Ltd. of New Territories, Hong Kong; Shenzhen TCL New Technology Co. Ltd. of Shenzhen, China; TCL King Electrical Appliances Co. Ltd. of Huizhou, China; TTE Technology Inc. of Corona, California; TCL Corp. of Huizhou City, China; TCL Moka Int’l Ltd. of New Territories, Hong Kong; TCL Overseas Marketing Ltd. of New Territories, Hong Kong; TCL Industries Holdings Co., Ltd. of New Territories, Hong Kong; and TCL Smart Device Co. of Bac Tan Uyen District, Vietnam (collectively, “the TCL Respondents”); Hisense Co. Ltd. of Qingdao, China; Hisense Electronics Manufacturing Co. of America Corp. of Suwanee, Georgia; Hisense Import & Export Co. Ltd. of Qingdao, China; Qingdao Hisense Electric Co., Ltd. of Qingdao, China; and Hisense International Co., Ltd. of Shen Wang, Hong Kong (collectively, “the Hisense Respondents”); Funai Electric Co., Ltd. of Osaka, Japan; Funai Corp. Inc. of Rutherford, New Jersey; and Funai Co., Ltd. of Nakhon Ratchasima, Thailand (collectively, “the Funai Respondents”). *Id.* The Office of Unfair Import Investigations is not participating in this investigation. *Id.*

The Commission partially terminated the investigation with respect to certain patents and patent claims that were withdrawn by UEI, including all of the asserted claims of the ’514 patent, ’325 patent, and ’853 patent. *See* Order No. 27 (Dec. 2, 2020), *unreviewed by* Comm’n Notice (Dec. 23, 2020); Order No. 32 (Dec. 21, 2020), *unreviewed by* Comm’n Notice (Jan. 5, 2021); Order No. 33 (Dec. 29, 2020), *unreviewed by* Comm’n Notice (Jan. 13, 2021); Order No. 34 (Jan. 4, 2021), *unreviewed by* Comm’n Notice (Jan. 21, 2021); Order No. 44 (Feb. 2, 2021), *unreviewed by* Comm’n Notice (Feb. 19, 2021); Order No. 49 (Feb. 9, 2021), *unreviewed by* Comm’n Notice (Feb. 24, 2021); Order No. 66 (March 23, 2021), *unreviewed by* Comm’n

Notice (April 8, 2021); Order No. 67 (Apr. 6, 2021), *unreviewed by* Comm’n Notice (Apr. 22, 2021).

The Commission also terminated the investigation with respect to the Hisense Respondents, the TCL Respondents, and the Funai Respondents. Order No. 67 (Apr. 6, 2021), *unreviewed by* Comm’n Notice (Apr. 22, 2021).

On February 18, 2021, the Commission determined not to review an ID entering summary determination that claim 19 of the ’642 patent is practiced by the domestic industry products and infringed by the accused “Elk” series of products. Order No. 38 (Jan. 19, 2021), *unreviewed by* Comm’n Notice (Feb. 18, 2021). On February 24, 2021, the Commission determined not to review an ID entering summary determination that the technical prong of the domestic industry requirement is satisfied for claims 1-3, 5-8, and 16 of the ’325 patent. Order No. 41 (Jan. 25, 2021), *unreviewed by* Comm’n Notice (Feb. 24, 2021).

On February 24, 2021, the Commission determined to review and reverse an ID granting Roku’s motion for summary determination that UEI lacks standing to assert the ’196 patent and to remand the standing question to the ALJ for further consideration. Order No. 40 (Jan. 25, 2021), *reviewed by* Comm’n Notice (Feb. 24, 2021); *see also* Comm’n Op. (Mar. 3, 2021).

The ALJ held an evidentiary hearing from April 19-23, 2021. By the time of the hearing, the only remaining respondent was Roku and the only remaining claims at issue for infringement or domestic industry purposes were claim 19 of the ’642 patent; claims 3, 6, 9, and 11 of the ’347 patent; and claims 1-3, 11, and 13-15 of the ’196 patent.

On July 9, 2021, the ALJ issued the subject final ID, finding a violation of Section 337 as to the ’196 patent but no violation with respect to either the ’642 patent or ’317 patent.

On July 23, 2021, both UEI and Roku filed petitions for review of certain findings in the final ID, pursuant to Commission Rule 210.43(a) (19 CFR 210.43(a)). On August 2, 2021, the parties filed their respective replies, pursuant to Commission Rule 210.43(c) (19 CFR 210.43(c)).

Having reviewed the record in this investigation, including the final ID, the parties’

petitions, and responses thereto, the Commission has determined to review all issues relating to the '196 patent, whether UEI satisfied the technical prong for the '317 patent, and the ID's conclusion that UEI satisfied the economic prong of the domestic industry requirement under Section 337(a)(3)(B) with respect to the '196 patent, the '317 patent, and the '642 patent. The Commission further notes that the parties have agreed that Roku's Alice-5 remote control is not among the accused products. *See* ID at 23. The Commission has determined not to review any of the ID's other findings.

The parties are asked to provide additional briefing on the following issues under review:

- (A) Does the limitation "for use in configuring the remote control device to transmit" in the final clause of claim 1 of the '196 patent require construction? *See* '196 patent at 17:23-25 (emphasis added). If so, how should it be construed?
- (B) In view of the response to Question (A), *supra*, do the accused Roku products infringe claim 1 of the '196 patent, with particular attention to: (i) whether converting a radiofrequency ("RF") signal to an infrared ("IR") signal in the accused remote control devices satisfies the limitation "*for use in configuring* the remote control device to transmit a second command"; and (ii) whether the accused products use the same "first data" to indicate whether the "second media device" will be "responsive" or "unresponsive" to the "first command," as set forth in the final clause of claim 1. *See* '196 patent at 17:13-32.
- (C) Does your response to Question (A), *supra*, affect the ID's invalidity analysis? Would the ID's invalidity analysis with respect to the '196 patent be affected if the term "*for use in configuring* the remote control device to transmit" in the final clause of claim 1 was found not to cover converting an RF signal to an IR signal?
- (D) With respect to the ID's invalidity analysis for the '196 patent, explain whether or how Chardon (U.S. Patent Application Pub. No. 2012/0249890) or Mishra (U.S. Patent Application No. 2001/0005197), singly or in combination, discloses to a

person of ordinary skill in the art a “first media device” that either “cause[s] the first media device to be configured to transmit a first command directly to the second media device [via HDMI]” or “transmit[s] a second data to a remote control device . . . for use in configuring the remote control device to transmit a second command directly to the second media device,” depending on whether the “second media device” is “responsive” or “unresponsive” to a “first command,” respectively, as set forth in the final clause of claim 1. *See* ’196 patent at 17:13-32. Explain whether there is a motivation to combine the references and clear and convincing evidence of obviousness.

- (E) Do the Samsung televisions that UEI identified as satisfying the technical prong of the domestic industry requirement practice the asserted claims of the ’317 patent, with particular attention to: (i) whether the term “a display device *coupled to* the controlled device” in claim 1 can cover an electronic component (*e.g.*, LCD display screen) contained within an electronic device (*e.g.*, an LCD television) (*see* ’317 patent at 8:55-56 (emphasis added)); and (ii) identify the “controlled device,” “receiver,” “transmitter,” “display device,” “processing device,” and other components recited in the asserted claims of the ’317 patent to the extent the asserted claims read on UEI’s domestic industry products.
- (F) Given that the domestic industry products for the ’196 and ’317 patents include downstream products, such as televisions (ID at 6, 51, 102), to what extent should an evaluation of the significance of investments in labor and capital under Section 337(a)(3)(B) take into account labor and capital associated with the downstream products?

The parties are requested to brief only the discrete issues identified above, with reference to the applicable law and evidentiary record. The parties are not to brief any other issues on review, which have already been adequately presented in the parties’ previous filings.

In connection with the final disposition of this investigation, the statute authorizes issuance of: (1) an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) cease-and-desist orders that could result in the respondents being required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or likely to do so. For background, *see Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843, Comm'n Op. at 7-10 (December 1994).

The statute requires the Commission to consider the effects of any remedy upon the public interest. The public interest factors the Commission will consider include the effect that an exclusion order and/or cease-and-desist order would have on: (1) the public health and welfare; (2) competitive conditions in the U.S. economy; (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation; and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the U.S. Trade Representative, as delegated by the President, has 60 days to approve, disapprove, or take no action on the Commission's action. *See* Presidential Memorandum of July 21, 2005. 70 FR 43251 (July 26, 2005). During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission and prescribed by the Secretary of the Treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed if a remedy is ordered.

WRITTEN SUBMISSIONS: Parties to this investigation are requested to file written

submissions on the issues identified above in this notice. In addition, the parties, interested government agencies, and any other interested parties are requested to file written submissions on the issues of remedy, the public interest, and bonding. Such initial submissions should include views on the recommended determination by the ALJ on remedy and bonding. Explain whether your views on public interest or bonding would differ if the redesigned products (or redesigned components of a product) put forward by Respondents were excluded from any remedy.

In its initial submission, Complainant is requested to identify the remedy sought and to submit proposed remedial orders for the Commission's consideration. Complainant is also requested to provide the HTSUS subheadings under which the accused products are imported. Complainant is further requested to supply the names of known importers of the Respondents' products at issue in this investigation. Complainant is also requested to identify and explain, from the record, articles that it contends are "components of" the subject products, and thus potentially covered by the proposed remedial orders, if imported separately from the subject products. *See* 85 FR at 31211. Failure to provide this information may result in waiver of any remedy directed to "components of" the subject products, in the event any violation may be found.

The parties' written submissions and proposed remedial orders must be filed no later than the close of business on **September 24, 2021**. Reply submissions must be filed no later than the close of business on **October 1, 2021**. Opening submissions are limited to 40 pages. Reply submissions are limited to 35 pages. No further submissions on any of these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above. The Commission's paper filing requirements in 19 CFR 210.4(f) are currently waived. 85 FR 15798 (Mar. 19, 2020). Submissions should refer to the investigation number ("Inv. No. 337-TA-1200") in a prominent place on the cover page and/or

first page. (See *Handbook for Electronic Filing Procedures*, https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf). Persons with questions regarding filing should contact the Secretary (202-205-2000).

Any person desiring to submit a document to the Commission in confidence must request confidential treatment by marking each document with a header indicating that the document contains confidential information. This marking will be deemed to satisfy the request procedure set forth in Rules 201.6(b) and 210.5(e)(2) (19 CFR 201.6(b) & 210.5(e)(2)). Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. All information, including confidential business information and documents for which confidential treatment is properly sought, submitted to the Commission for purposes of this Investigation may be disclosed to and used: (i) By the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements. All non-confidential written submissions will be available for public inspection at the Office of the Secretary and on EDIS.

The Commission vote for this determination took place on September 9, 2021.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in Part 210 of the Commission's Rules of Practice and Procedure (19 CFR Part 210).

By order of the Commission.

Issued: September 9, 2021.

Lisa Barton,
Secretary to the Commission.

